

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

aHC106
.6
.S7

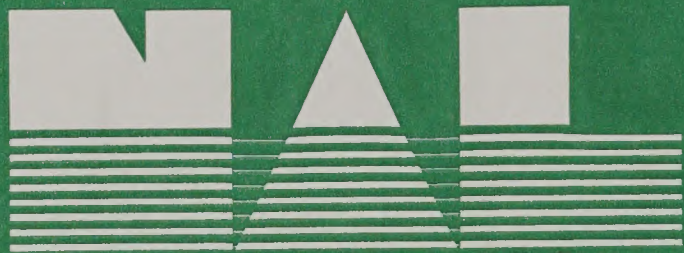
OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-95: AN OVERVIEW

FILE COPY

Jerome M. Stam
Economic Development Division
Economics, Statistics, and Cooperatives Service
U.S. Department of Agriculture
Washington, D.C. 20250

ESCS Staff Paper
August 1979

**United States
Department of
Agriculture**



National Agricultural Library

OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-95: AN OVERVIEW. By Jerome M. Stam; Economic Development Division; Economics, Statistics, and Cooperatives Service; U.S. Department of Agriculture; Washington, D.C. 20250; August 1979. ESCS Staff Paper.

ABSTRACT

An overview is presented of Office of Management and Budget Circular A-95. This includes an analysis of its precursors, the circular itself, and problems and issues relating to it--with an emphasis on the latter. Problems and issues addressed include: differing perceptions; differing evaluation criteria; coordination; coercion versus cooperation; lack of Federal agency compliance; channels of communication; clearinghouse review boards; citizen involvement; timing of reviews; difficulties with reviews relating to type of application; and workload, staff, and funding.

Keywords: Multicounty districts, Governmental aid, Federal, Programs, Grants, Coordination, Review, Regions, Rural development.

* This paper was prepared for limited distribution to the research *
* community outside the U.S. Department of Agriculture. The views *
* expressed herein are not necessarily those of ESCS or USDA. *

ACKNOWLEDGEMENTS

The author is indebted to J. Norman Reid, Bruce D. McDowell, and Jack D. Timmons for a number of helpful comments.

CONTENTS

Summary..... 11
Introduction..... 1
Precursors to A-95..... 2
The Circular Itself..... 5
Problems and Issues..... 12
Conclusions..... 20
Literature Cited..... 22

SUMMARY

There continue to be a number of important problems and issues pertaining to Office and Management and Budget Circular A-95 10 years after its issuance. This is the scenario resulting from a review of the literature relating to Circular A-95 and associated topics. This includes an examination of such problems and issues as differing perceptions; differing evaluation criteria; coordination; coercion versus cooperation; lack of Federal agency compliance; channels of communication; clearinghouse review boards; citizen involvement; timing of reviews; difficulties with reviews relating to type of application; and workload, staff, and funding. Numerous sub-issues also are addressed.

The most important precursors to Circular A-95 are traced as a background. This includes, among others, a look at such programs and actions as the Model Cities Act, Circular A-80, Circular A-82, and the Intergovernmental Cooperation Act.

Basic elements of the circular itself and the process it set in motion are briefly reviewed. This includes a look at such items pertaining to A-95 as participants, clearinghouses, paperflow, program coverage, subject matter coverage, geographical coverage, funding, and revisions. Based on this review, it is shown that the circular and A-95 process both have gone through considerable evolution since 1969.

The future of A-95 itself and the A-95 process is not likely to be serene based upon the evidence to date. This is due to both the nature of the circular and its relationships with other controversial subject matter and issue areas such as Federal grants-in-aid and intergovernmental relations.

Jerome M. Stam^{*}/

INTRODUCTION

The objective of this paper is to review the record regarding Office of Management and Budget (OMB) Circular A-95. This includes a look at its precursors, the circular itself, and problems and issues relating to it--with an emphasis on the latter. A-95 is a regulation designed to promote coordination of Federal programs with each other and with State and local plans and programs. It has been 10 years since OMB first issued this circular and during the interim it "has been the subject of extensive governmental and academic research and evaluation" (43, p. 1). ¹/ Views have varied widely from regarding it as ineffectual paperwork to an instrument of coercion. It is the purpose of this paper to review briefly some of the resultant literature with the intent of making the record of Circular A-95 more understandable by placing it in perspective.

The need for A-95 largely grew out of the expansion of the Federal grant-in-aid system in the sixties, an expansion that has continued during the seventies. For example, there were 160 Federal categorical grant programs available for State and local governments in 1962 (5, p. 94). This had grown to 379 by 1967, 442 by 1975, and 492 by 1978 (1, p. 1; 2, p. 1; 3, p. 25). This growth has led to a number of efforts to improve intergovernmental coordination.

Circular A-95, along with a number of other Federal programs and actions, had a significant impact on the delineation of multicounty substate districts and the formation of regional councils. In 1965, only four States had designated a statewide system of substate districts (7, p. 236). By 1970, the total was 23 States; in 1972 it was 40; and in 1976 it was 45 (7, pp. 236-237; 8, p. 9; 19, p. 17). In 1965, a total of 62 substate districts had been designated (1, pp. 238-239; 19, p. 17). By 1970, substate districts totaled 355; in 1972, 488; and in 1976, 530 (7, pp. 222, 238-239; 8, p. 9; 19, p. 17).

Federal support in general for substate regionalism grew during the sixties and seventies. For example, in early 1964 only five Federal programs used an

^{*}/ Leader; State and Local Government Program Area; Economic Development Division; Economics, Statistics, and Cooperatives Service.

¹/ Underlined numbers in parentheses refer to items in literature cited, p. 22.

areawide approach to community problems (9, p. 54). By 1972, these programs numbered 24 and by 1976 some 32 Federal programs supported substate areawide regional activities (7, pp. 2, 215; 8, pp. 9-17). As a result of these programs, a large number of both multipurpose and special purpose units were formed. The multipurpose areawide units are regional councils which typically are councils of governments (COG's) or regional planning commissions (RPC's). Today there are approximately 2,000 substate regional councils in existence (11, p. 2; 36, p. 3; 39, p. 7). About 670 of these are multipurpose regional councils with the balance being federally induced single purpose areawides of various types (31; 36, p. 3).

Circular A-95 has played an important coordinative role in this milieu. This role is significant in nonmetropolitan areas. According to OMB, in 1977 over 300 of the 550 A-95 areawide clearinghouses were in nonmetropolitan areas (41, p. 2). Originally, A-95 was partially developed to "to offset a growing tendency among Federal programs to promote areawide or multijurisdictional planning for various purposes" (44, p. 35). This planning activity was uncoordinated geographically, functionally, and organizationally. In nonmetropolitan areas this often led to a substantial drain on already limited planning expertise (44, p. 35).

More specifically, many rural governments were and continue to be in considerable need of technical assistance to aid the capacity of their officials (22, pp. 173-174; 37, pp. i-ii, 5-6, 10, 12). Such governments are diverse and much of the assistance to date has been highly functional in nature. (22, pp. 172-173). Regional councils often play a key role in providing technical assistance to local governments in nonmetropolitan areas "where talent is thinly spread" (34, p. 221). In fact, the regional council may be the "only governmental organization with substantial professional and managerial expertise" in many nonmetropolitan areas (7, p. 270; also see 8, p. 5). Smaller communities need assistance with project design, planning, and in even locating qualified advisors (34, p. 220; 43, p. 27). In assisting nonmetropolitan local governments to deal more effectively with their problems, regional councils have been characterized as (1) regional chambers of commerce, (2) industrial development organizations, (3) grantsmen and promoters, and (4) technical assistance agents (7, p. 270).

The coordinative role granted by Circular A-95 to nonmetropolitan regional councils is important for several reasons. Two of the more important are that (1) it helps coordinate the delivery of covered programs of the U.S. Department of Agriculture and other Federal agencies to rural America, and (2) helps governments in such areas in general cope with their fragmentation and limited functions, resources, and capabilities.

PRECURSORS TO A-95

OMB Circular A-95 did not spring up overnight, but was the product of an evolutionary process. It had a number of important precursors. McDowell has reported that it grew out of the concept of mandatory referral powers associated with the planning enabling acts in the early portion of the century (28, p. 1).

Such powers were a part of the Standard Planning Enabling Act that the Department of Commerce issued in the twenties (28, p. 1). This was a planning-based requirement that did not go into effect until a community's master plan was adopted.

Another predecessor was the Department of Housing and Urban Development (HUD) open space program of the early sixties (28, p. 2). Projects could only be funded if they were important to the implementation of a comprehensive plan. If the comprehensive plan was areawide in nature, the recipient received an additional 10 percent in Federal money (4, p. 16).

The Advisory Commission on Intergovernmental Relations (ACIR) first investigated the topic of planning and review requirements in 1964 (4; 28, p. 3). Their study found 43 relevant Federal programs which had a direct impact on local government organization and planning (4, p. 185; 10, p. 192). These were physical development programs and only five took on explicitly areawide approach (10, pp. 192-193). ACIR recommended "that (1) the Congress enact legislation to establish the principle of Federal interagency coordination in the full range of programs affecting urban development, and (2) the executive branch of the Federal Government implement the congressionally stated principle by preparing and adopting a unified urban development policy establishing coordinating procedures" (4, p. 37). According to McDowell, along with the 1964 report ACIR also provided draft legislation that was similar to Title IV of the Intergovernmental Cooperation Act (28, p. 3). This draft was drawn from the 30 years' experience of the Federal Interagency Water Resources Council. This group was trying to provide a multiple use framework and develop coordinating procedures for water resource problems handled by such Federal agencies as Agriculture, Interior, and the Corps of Engineers (28, p. 3).

Model Cities

The Federal Government began to take action by the mid-sixties to encourage better coordination of its program activities affecting State and local governments. The Federal planning requirement stick began to more fully join the Federal grant-in-aid carrot. According to some observers, by the end of 1964 the era of voluntarism in the regional movement was drawing to a close (7, p. 71; 51, pp. 431-432).

The Demonstration Cities and Metropolitan Development Act (P.L. 89-754) was signed on November 3, 1966. This act enabled the establishment of areawide planning agencies called city demonstration agencies (CDA's) or model cities in each of the Standard Metropolitan Statistical Areas (SMSA's) (34, pp. 91-92; 161-162). Under its Section 204 a review and comment process was established involving applications by local governments in metropolitan areas for a variety of Federal grants for public facility construction projects (7, p. 72; 14, p. 14; 23, pp. 70, 118-119, 123-124; 30, pp. 5, 77-78; 43, pp. 1-3, 20; 49, pp. 41-42, 91-92; 52, p. 287). In short, after June 30, 1967, all applications for over 30 Federal loan and grant programs to assist certain types of public works planning and construction activities and for open-space land acquisition in metropolitan areas would have to be accompanied by the comments of an official

State or regional planning agency with respect to the relationship of the proposed project to the comprehensively planning development of the area (3, p. 252; 7, p. 141). 2/

The areawide planning requirement was controversial when it was added to the act in 1966. Nevertheless, the 204 requirement was "obliquely responsible" for the increase in the number of regional councils during the late sixties (49, p. 92). In fact in 1971 the National Service to Regional Councils [forerunner to the National Association of Regional Councils (NARC)] called the Model Cities Act the single most significant Federal action to data for strengthening and encouraging regional councils in metropolitan areas (24, p. 161).

Circular A-80

On January 31, 1967, OMB issued Circular A-80 to improve coordination of federally assisted development planning covering multijurisdictional areas. The circular described in detail policies, objectives, and procedures for Federal agencies, State governments, and applicants seeking planning assistance. The circular had two objectives: (1) to encourage State and local development planning agencies to use common or consistent data bases and share facilities and resources and (2) to encourage the States to establish planning and development districts and to call for Federal agencies to use the district boundaries when assisting planning, unless clear justification existed for not doing so (39, p. 8; also see 7, pp. 190-192).

Circular A-82

On April 11, 1967, OMB issued Circular A-82 to implement Section 204, Title II, of the Demonstration Cities and Metropolitan Development Act of 1966. Section 204 required that all applications requesting Federal assistance for planning or constructing public works projects in a metropolitan area be submitted to an areawide agency, which was designated to perform areawide planning, and, to the greatest extent possible, was composed of or responsible to locally elected officials. The areawide planning agency was to review the proposed project and comment on its consistency with area and local comprehensive planning.

Section 204 encouraged the development of multipurpose areawide groups, such as associations of governments or comprehensive metropolitan planning agencies, to coordinate federally assisted development affecting more than one jurisdiction. In metropolitan areas lacking such organizations, Governors were to designate an organization having competence in comprehensive planning to perform such functions until the local governments could develop their own organizations (39, p. 9; 43, p. 3). Under Section 204's review and comment provision, most RPC's began to acquire a COG-like character with 50 percent or more of their membership composed of local elected officials (47, p. 15).

Circular A-82 originally covered 36 Federal assistance programs administered by 9 Federal agencies (40, p. 5). These programs primarily were concerned

2/ Some argue that the push for Section 204 was not all Federal in nature, but also was the result of State-local efforts to have the tools to use in better coordinating certain Federal aid programs.

with construction and physical facilities. Subsequently, A-82 was revised twice with the altered coverage eventually including 37 Federal programs (40, p. 5).

Intergovernmental Cooperation Act

The Intergovernmental Cooperation Act of 1968 (P.L. 90-577) established a statutory basis for extending the Section 204 areawide review and comment procedure. Regulations issued to implement Title IV of the Act authorized the establishment of State and nonmetropolitan "clearinghouses" to review applications for designated Federal grant programs in addition to the metropolitan review agencies designated under Section 204 (3, p. 252; 7, p. 73; 14, p. 14; 23, p. 70; 30, pp. 5, 77; 43, pp. 1-3, 20; 49, p. 42; 50, pp. IV-1-IV-3). According to McDowell, one of the major improvements in this act was that it covered both metropolitan and nonmetropolitan areas (28, p. 6). 3/ In short, it proclaimed a national policy of intergovernmental coordination and cooperation (40, pp. 3-4). Moreover, according to ACIR, the Model Cities Act of 1966 and the Intergovernmental Cooperation Act of 1968 "both have established a Federal policy favoring general purpose government, but many Federal programs still deal directly with special districts" (6, p. 106).

THE CIRCULAR ITSELF

OMB Circular A-95 was issued on July 24, 1969. It "is a regulation designed to promote maximum coordination of Federal and federally assisted programs and projects with each other and with State, areawide, and local plans and programs (44, p. 1). The circular is made up of two components: the circular itself and five attachments (44, p. 1). Its statutory basis is Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 and Title IV of the Intergovernmental Cooperation Act of 1968 (44, p. 2). It also incorporated and broadened Circulars A-80 and A-82 (39, p. 10; 43, pp. 2-3; 44, p. 2).

OMB's perception of the intent of the laws on which A-95 is based is "that the basic objective of A-95 is to foster intergovernmental cooperation by giving State and local governments an opportunity to influence Federal and federally assisted actions as they might affect State, areawide, and local plans and programs" (43, p. 3 exec. sum.). It was and is intended to be basically a policy neutral program (43, p. 3 exec. sum.).

The Circular has four parts:

Part I establishes the Project Notification and Review System (PNRS), and is the best known and most influential of the four parts. According to Brown, it is: "The primary element of the entire A-95 review process" (13, p. 6). PNRS is a means by which State, regional and local governments are given the opportunity to review and comment on proposed applications for Federal grants that affect physical develop-

3/ Even though the legal authority existed based on this act, the actual application of it in nonmetropolitan areas may have been less than implied above. For instance, ACIR has observed that Federal aid review and comment procedures "did not become effective in nonmetropolitan districts" until 1969 through A-95 (7, p. 273).

ment and human resources. In short, these units are to conduct a "clearinghouse" function. Part I now covers approximately 240 Federal programs as listed in the Catalog of Federal Domestic Assistance (43, p. 3). Ideally, it can strengthen the planning and decision making capabilities of affected jurisdictions by impelling them to consider the impact of Federal programs on their jurisdictions. It can also enhance their ability to influence that impact. Part I superceded and amplified OMB Circular A-82 (5, p. 217; 43, p. 3).

Part II creates the framework for a similar review and comment system applicable to direct Federal development projects. A system is not prescribed, but use of the PNRS by Federal agencies is encouraged. If functioning effectively, it can have beneficial effects on State, areawide, and local bodies similar to those of Part I.

Part III gives Governors the opportunity to review and comment on State plans required under Federal programs. It encourages State comprehensive planning and gives the Governor and his generalist aides a handle for exerting policy influence over functional specialists

Part IV provides for the coordination of Federal planning and development districts with State substate districts. It encourages States to exercise leadership in establishing a system of substate districts which can provide a consistent geographic base for planning and coordinating Federal, State and local development programs (5, p. 249). It is closely related to Part I because, by encouraging States to develop systems of substate planning areas, it sets the stage for more complete geographic coverage of PNRS (44, p. 35). Part IV incorporated the policies outlined in Circular A-80 without much change (39, p. 11; 43, p. 3).

Participants

Initially there were four major institutional participants in the A-95 review process: (1) OMB, (2) areawide and State clearinghouses, (3) local and State governments/agencies applying for Federal aid, and (4) Federal agencies. In 1974 Federal Regional Councils (FRC's) were added to the list. OMB delegated responsibility for daily oversight and implementation of A-95 to the FRC's, with OMB retaining responsibility for overall administration and policy control of the circular (21, pp. 1-2). Currently, OMB lists the following major actors in the A-95 review process: (1) applicants for Federal assistance; (2) Federal agencies which provide the assistance, and (3) clearinghouses along with their constituent governments and agencies which review the applications (43, p. 20).

Clearinghouses

There are two types of clearinghouses authorized by A-95: State and areawide (38, p. 9; 43, p. 4). State clearinghouses are designated by the Governor and are usually the State comprehensive planning agencies. Areawide clearing-

houses are substate in nature. 4/ (There are a number of interstate clearinghouse covering bi- or tri-state metropolitan areas.) 5/ Areawide clearinghouses also are usually organizationally part of comprehensive substate planning agencies. OMB designates areawide clearinghouses covering metropolitan areas in concurrence with the Governor (38, p. 9; 43, p. 4). The Governors, however, designate the areawide clearinghouses in nonmetropolitan areas (43, p. 4).

The term "clearinghouse" is not strictly defined in OMB Circular A-95 (40, p. 13; 44, pp. 5, 12). The reason is that Federal officials desire to accommodate institutional variations in response to A-95. Thus, the areawide clearinghouses are frequently COG's and the State clearinghouse, as just noted, is usually the State comprehensive planning agency which is designated by the Governor--although sometimes other agencies are utilized to carry out the review (27, p. 3).

The functions of the clearinghouses are: (1) to evaluate the significance to State, areawide, or local plans of proposed Federal or federally assisted projects; (2) to notify appropriate local and State agencies of the applicant's intent to apply for Federal assistance, including those agencies authorized to develop and enforce environmental standards; and (3) to provide liaison between Federal agencies contemplating direct Federal development projects and the State or areawide agencies or local governments having plans or programs that might be affected by the proposed project (27, p. 3). 6/

Paperflow

The PNRS with its "notification of intent" (NOI) or "early warning system" is a most important part of the A-95 process. Historically, the early warning system set up under Part I of Circular A-95 had a significant impact on the importance of regional councils by linking areawide comprehensive planning with local project applications and by formally assigning these generalist-oriented organizations communication, coordination, and monitoring responsibilities in

4/ Areawide clearinghouses for the most part stemmed from HUD's 701 planning money coupled with authority derived from OMB's Circular A-95 (35, p. 296). This is a result of the Federal Government's attempt at insuring better areawide planning and project coordination. One observer has called it the "clearinghouse planning grant scheme" (30, p. 2 preface). Most of the clearinghouses are COG's and, because of the important role historically of HUD and OMB, perhaps it should be called the HUD/OMB/COG planning grant scheme! See (30, pp. 65-66, 72-73, 95-96, 110-120; 43, pp. 5 exec. sum., 1, 26).

5/ These are important because, according to one article written in 1973, some 22 percent of the population then lived in 33 interstate SMSA's (29, p. 120).

6/ Mogulof has argued that: "There is no common agreement as to what an effective clearinghouse/COG does" (30, p. 18). However, according to a recent OMB assessment, "the particular cooperative function of clearinghouses in the project notification and review system is the collection, classification, and distribution of information among and between applicants, State and local government, and ultimately the Federal decisionmaker so that facts and opinions are widely known by those with related responsibilities" (43, p. 5). This, of course, includes the areawide clearinghouses' own evaluation of projects.

the Federal grant process (1, pp. 73, 144-145). 7/ Although important, the mechanics of PNRS and its paperflow generally make for quite tedious reading when described in great detail as it often has been in the literature (7, pp. 143-155; 13, pp. 38-51, app.; 14, pp. 15-16; 40, pp. 6-13, 30-34, 61-62; 44, pp. 8-19, 28-34, exh. 1). Only a summary will be presented here.

Applicants for assistance under some 240 Federal programs are required to notify both the State and areawide clearinghouses of their intent to apply for assistance; upon request, they must later submit the completed application for clearinghouse review. In order to avoid undue delays in processing applications, clearinghouse review is limited to a maximum of 60 days (30 days for review of the NOI not to apply and 30 days for review of the final application). No specific format is required for the NOI, but some clearinghouses have developed their own forms (44, p. 14). However, in late 1975, the Federal Government issued Standard Form (SF) 424 that must accompany all State and local government grant applications (44, p. 14).

The clearinghouse examines the NOI to apply in order to identify potential conflicts between the project and existing State or areawide plans and policies. Within 30 days it must advise the applicant of any issues raised by the proposal, and arrangements are made for their resolution. Where any problems remain unresolved, the applicant must submit the completed application for review and comment by the clearinghouse. All clearinghouse comments must be provided within 30 days and they become part of the application submitted to the Federal funding agency. On the other hand, where no problems are identified, the clearinghouse "signs off" on the NOI and the applicant is free to submit the application without further clearinghouse involvement.

At the areawide level, clearinghouse reviews are largely accomplished by the planning agency staff, which is usually familiar with applicable areawide plans. Individual jurisdictions or other agencies are asked to comment on the relationships between the proposed project and their own plans and programs. In addition, local chief executives may request that the clearinghouse send them copies of all NOI's for projects in their jurisdiction. At the State level, by contrast, project reviews tend to be achieved by referring the applications to other agencies, for their comments, rather than by inhouse examination of proposals.

The PNRS can aid policy coordination in two ways. First, the process promotes communication between areawide planning agencies and prospective applicants and increases the possibility that potential conflicts can be identified and resolved locally. Where conflicts are not resolved locally, however, the requirement that clearinghouse comments be made a part of the grant application gives clearinghouses an opportunity to influence the decisions of Federal funding agencies. Clearinghouse comments are only advisory, however.

7/ For example, Tweeten and Brinkman have written that the regional councils "were little more than liaison agencies until given political muscle through responsibility for evaluation and review procedures of Circular A-95. This provided multicounty districts with virtual veto power over Federal funds within their districts and greatly enhanced their power" (35, p. 297).

Program Coverage

The original A-95 procedure affected some 51 Federal Government programs, primarily in planning and direct physical development (3, p. 252; 7, p. 145; 20, p. 49; 40, p. 5; 49, p. 93). By April 1971, the list had been expanded to 100 government programs, including many social and human resource programs (3, p. 252; 7, p. 145; 20, p. 49; 27, p. 2). In November 1973, coverage was extended to another 35 programs including health, adult and vocational education, job opportunity programs, and rural development, (20, pp. 49-50). 8/ GAO reported coverage as of February 1975 at 138 Federal programs (40, pp. 20-21). The January 1976 revision extended coverage to 199 Federal programs (3, p. 252; 23, p. 137). As was noted earlier, some 240-plus assistance programs are now covered (41, p. 4; 43, pp. 3, 16, 25). 9/

The original intent was to have A-95 cover those Federal programs that may impact on State and local plans and programs and not those Federal research assistance, individual assistance, and other programs which have little or no impact on State and local plans and programs in any direct or manageable sense (43, pp. 16-17). Coverage has been based largely on the extent to which any program might conflict, overlap, or duplicate another within or among State agency or local government jurisdictions (43, p. 25). Clearinghouse review was to expose such conflicts or duplications of effort. OMB feels that some Federal programs now covered are so small that Part I of the A-95 coverage should be restudied with the intent of determining which programs or program elements now covered produce little or no payoff to A-95 objectives through clearinghouse review (43, p. 25).

Subject Matter Coverage

The subject matter of the comments and recommendations made by the clearinghouses aims at ensuring consistency with State and local comprehensive planning and with Federal law (27, p. 3). Specifically, some of the categories identified for comment are: (1) appropriate land uses; (2) development and conservation of natural resources; (3) balanced transportation systems; (4) adequate outdoor recreation and open space; (5) protection of areas of unique natural beauty or of historical or scientific interest; (6) properly planning community facilities; (7) high standards of design; (8) environmental impact; (9) effects on energy resources; (10) extent to which businesses will be displaced; and (11) effects on balanced patterns of settlement. 10/

8/ Wikstrom reports that this revision brought the number of Federal programs subject to A-95 review to approximately 150 (49, p. 94).

9/ The 240 programs are as listed in the Catalog of Federal Domestic Assistance (43, p. 3). OMB has noted that many of these listed programs are only elements in a single statutory authority. Thus, a single statutory or budgeting program may include several activities listed as separate programs in the Catalog (43, p. 3). State-funded projects are not required to come under A-95 review (23, pp. 132, 136-137). The actual situation regarding clearinghouse review of State-funded projects thus is dependent on State authorities and actions.

10/ These are derived from OMB Circular A-95 dated January 2, 1976, which became effective on February 27, 1976. For further details on the historical

Geographical Coverage

As was noted above, in September 1977 there were 550 areawide clearinghouses of which over 300 had been designated by Governors in nonmetropolitan areas (41, p. 2). 11/ (As also was noted earlier, OMB designates clearinghouses in metropolitan areas, but seeks concurrence of Governors in such actions). The areawide clearinghouses covered some 2,650 counties, approximately 80 percent of the land area of the contiguous 48 States, and embraced about 95 percent of the population (41, p. 2). Of the 550 areawide clearinghouses, over 500 were of the COG variety (41, p. 2).

In May 1978, there were 56 State and territorial and 555 areawide clearinghouses (43, pp. 1 exec. sum., 4, 19). Of the 555 areawides, 524, 24, and 7 were intrastate, bi-State, and tri-State, respectively (43, p. 4). The 555 areawides covered 2,724 counties and 96 percent of the population (43, p. 4).

Funding

There has been no direct Federal funding of the A-95 activity, but fungibility of funds under a number of Federal programs has provided a majority of of the money for it (44, pp. 29-30). 12/ For example, the HUD Section 701 program recognizes A-95 as an eligible work activity for 701-assisted agencies, many of which are also A-95 clearinghouses (38, p. 9). Matching funds (including administrative overhead and salaries) are required for a 701 grant on a two-thirds Federal, one-third local basis (38, p. 9). A 1976 HUD study indicated that 701 planning funds provided the greatest source of funding for A-95 budgets in the majority of the State and areawide clearinghouses surveyed (38, p. 17). HUD 701 grants constituted the largest source of funds for almost half of the areawide clearinghouses surveyed, while other Federal agencies, especially the Department of Transportation (DOT), are the second largest source (30, p. 116; 38, p. 17; 43, pp. 5 exec. sum., 26). Amendments to the Public Works and Economic Development Act in 1974 also have authorized some assistance for A-95 activities of economic development districts (EDD's) which are clearinghouses (44, p. 29). It should be noted that the metropolitan versus nonmetropolitan orientation of the Federal assistance may vary considerably by program. For example, the DOT assistance has been urban-oriented while the Public Works and Economic Development Act help has been focused more toward nonmetropolitan areas.

(footnote 10 continued) development of the areas subject to comment, see (7, p. 145; 27, p. 3; 49, pp. 75-96). Also, for additional information on national policy requirements for Federal grant programs, see (3, pp. 233-271).

11/ In April 1973, there were 450 A-95 clearinghouses covering an area in which an estimated 88 percent of the Nation's population lived (7, p. 147). As of July 30, 1974, there were 485 A-95 clearinghouses (47, p. 16). In both instances, 212 served metropolitan areas (i.e., areas containing at least one SMSA). As of July 1, 1976, there were nearly 540 areawide clearinghouses (44, pp. 12, 18).

12/ There also have been some other kinds of Federal support. OEO funded a computer system called the Federal Aid Controls System (FACS) to process A-95 paperwork. It was demonstrated in Louisiana and then exported to other States possibly with start-up funding. Nevertheless, the A-95 process has not been all that costly to the Federal Government (30, pp. 18-19).

OMB, based on a recent survey, estimated that State clearinghouses spent over four million dollars on A-95 reviews in fiscal 1976 with slightly under half of this cost coming from Federal funds (41, p. 5; 43, pp. 5 exec. sum., 26). Areawides were estimated to have spent eight to nine million dollars nationally on A-95 activities with about 60 percent of this cost derived from Federal sources (41, p. 5). This averages to less than two percent of the area-wides' planning budgets. 13/

Revisions

Major revisions of Circular A-95 were issued February 9, 1971; November 13, 1973; and January 2, 1976 (14, p. 14; 44, p. 2). Substantive amendments were made March 8, 1972 (38, p. 8). The most recent revision on January 2, 1976 added clarifications and refinements and expanded PNRS under Part I to include a wider array of human resources programs in the areas of health, education, and manpower (38, pp. 8-9). It also incorporated instructions for the new A-95 Standard Form (SF) 424 designed insure that funding agency decisions will be sent to the State and regional clearinghouses from which the applications originate (13, p. 120). The several revisions made over the years also have taken civil rights and environmental concerns into account.

Before 1973 the primary objective of Part IV of the circular was to promote geographic conformity among planning areas through the development of substate districts. 14/ This was seen as an important prerequisite in developing coordination arrangements among organizations planning on an areawide basis. As substate districting systems were developed by the States, the emphasis of Part IV was modified to improve arrangements for coordinating areawide functional planning, such as health planning, which was generally carried out by organizations other than the designated areawide agencies (39, p. 11).

This change in emphasis was made in the November 1973 revision of Part IV of the circular. The modifications encouraged, but did not require, Federal agencies administering programs assisting or requiring areawide planning to use the designated multipurpose areawide agencies to carry out or coordinate such planning (47, p. 18). 15/ They also required that Federal program regulations supporting areawide planning provide for a memorandum of agreement when the

13/ According to ACIR, three-fifths of the States provided some financial assistance to their substate district organizations in 1976 (10, p. 202). However, the total amount was only \$12.6 million and five States accounted for one-third of this total.

14/ For example, on October 9, 1971, OMB issued a directive which stated that: "Federal program administrators for 10 major Federal programs should make every effort to use the planning districts designated by the individual States rather than their own planning areas" (15, p. 219; also see 7, pp. 79, 188-220, especially 192-195, 200-201). However, it is the opinion of some OMB personnel that the results from the 1971 initiative were less than satisfactory.

15/ Walker and Richter note that as of late 1972 the A-95 clearinghouses themselves were used as the implementing areawide agency for slightly less than half of the federally encouraged districting and planning activities in their regions (47, p. 18).

organization funded for areawide planning was not the designated areawide agency. This agreement would be between the organization and the designated areawide agency.

OMB's directives on areawide planning reflect a changing process. However, the basic goals were to counteract the tendency of Federal programs to promote areawide planning activities which were uncoordinated geographically, functionally, and organizationally. In nonmetropolitan areas this tendency caused a drain on limited planning resources, while in metropolitan areas it caused confusion and duplication of efforts (39, pp. 11-12).

PROBLEMS AND ISSUES

The literature contains a significant list of pros and cons regarding OMB Circular A-95 and the process it sets in motion (13; 20, pp. 61-64; 23, pp. 136-137; 27, pp. 7-20; 30, pp. 7, 14-15, 17-18, 29, 48-56, 59, 79, 87, 119; 38, pp. 6, 11, 23-31; 40; 41, pp. 20-31; 43, pp. 2-4 exec. sum., 1, 12-30). It is evident that a number of problems and issues have faced Circular A-95 through the years. Some of the more important ones will be addressed. They are not necessarily presented in order of importance and there is, of necessity, sometimes a degree of overlap present because of the complex nature of the subject matter.

Differing Perceptions

Both Circular A-95 and the process it sets in motion have suffered from different perceptions regarding purpose and intent. These differences stem from a range of reasons. A-95 itself is linked with other complex areas of concern, such as substate regionalism, Federal grants-in-aid, and intergovernmental relations. Each of these topics has their own complex set of issues and A-95 is affected by these. "Facts," values, and beliefs can easily differ or clash under such circumstances.

The evaluation process also is complicated by the fact that A-95 is addressed to a number of objectives that have been added to or modified through time (20, p. 53). Moreover, the perceptions of the objectives of the A-95 process by the major participants become a critical point in whether A-95 is judged to be successful or not (30, pp. 7, 18; 38, p. 3; 43, pp. 3 exec. sum., 14-15, 21). It is thus no surprise when one still finds a wide range of opinion concerning A-95 extant 10 years after its initial implementation.

The most brutal criticisms have been that the A-95 process is: (1) little more than pro forma duties of informing affected parties of proposed projects, (2) mild, (3) paper shuffling, (4) generally bland, (5) rubber stamping, (6) excessive paperwork, (7) simply a veto process, and (8) only a new layer of review and more red tape in an already painfully slow grant process (13, foreword, pp. 133, 138; 17, p. 227; 20, pp. 63-64; 23, pp. 136-137; 27, pp. 19-20; 29, pp. 119, 123; 30, pp. 17-18, 29; 32, p. 21; 41, pp. 2 exec. sum., 7-8). 16/

16/ For example, under the predecessor Section 204 review procedure, only 5 percent in 1968 and 18 percent in 1969, respectively, of the reviews completed recommended project changes (49, p. 92). Under the A-95 procedure in 1971,

Others argue that A-95 is a rational attempt to improve the development and administration of Federal grants-in-aid on State and regional levels and some go so far as to conclude that: "The only persons who can argue against the objectives of A-95 are those who contend that all Federal aid should be given through revenue sharing" (27, p. 9). 17/ It is thought in some quarters that PNRS is beneficial because of the informal process of negotiation between clearinghouse and applicants. In other words, it is felt that most changes in applications result from the informal A-95 process of discussion and negotiation between applicants and clearinghouses during the application development phase as opposed to the formal review process of the final application (23, p. 137; 38, pp. 3-4; 43, pp. 13-14). OMB in a 1977 study surveyed clearinghouses regarding the benefits and liabilities of A-95. Advantages cited by respondents appear to far outweigh liabilities in their opinion. There were more negative responses in more populated (250,000-plus) areas--20 percent--than in less populated areas (8 percent), however (41, pp. 11-14).

Differing Evaluation Criteria

The A-95 concept is of such a complex nature that there is a problem in determining what criteria should be employed by clearinghouses in conducting reviews and thus, more importantly, what criteria are to be employed in evaluating A-95 itself. In short, the literature contains a discussion of who does the A-95 reviews and the basis or criteria employed in such reviews (13, pp. 51-53, 137; 28, pp. 11-14). First, this includes such issues as staff versus policy board reviews, which can be especially troublesome at the areawide level (28, pp. 13-14). Second, it involves whether the basis of the clearinghouse reviews consists "of policies, programs, and plans, or...the project itself and whatever the reviewer happens to think of it" (28, p. 11).

(footnote 16 continued) according to one 1972 survey, less than 10 percent of the applications resulted in critical or negative comments being made by the areawide clearinghouses (7, p. 148; 49, pp. 97-98). Moreover, according to clearinghouses responding to the 1972 survey, in fewer than 10 percent of the cases had the comments resulted in the applicant making substantive changes in the application as originally conceived (7, p. 148).

Many of the problems surrounding the A-95 clearinghouses allegedly have stemmed from their structure as COG's. The alleged weaknesses of COG's thus have become a topic of concern for some analysts. Thus, Mogulof has called the clearinghouses a "somewhat frail mechanism" (30, p. 7). He has been especially critical of the ineffectiveness of the clearinghouses in addressing the problems of redistribution (30, pp. 7, 46, 61, 64-66, 73, 100, 104). He views this as an important shortcoming in light of the fact that the Federal Government is a major factor in issues of redistribution (30, pp. 28-29, 61, 64-66, 102, 103, 123). Thus, even though the clearinghouses handle many Federal funds, he views them as ineffective in achieving much redistribution and that this is a major failing.

17/ Of course, this view has to do with the categorical grants versus general revenue sharing debate and the idea that only categorical grants need to be closely reviewed and controlled. For a view critical of the Federal categorical grant system, see (18, pp. 40-43). Freeman feels that Federal categorical grants are transforming the Federal system into a unitary one.

There also is a problem in what constitutes successful, effective implementation (20, p. 62). For example, consider just the planning aspect. The quality of the planning and data gathering processes are central to A-95 review performance (20, p. 64). But the A-95 review often depends on the planning processes, plans, and supporting data that are either inadequate or nonexistent (13, pp. 12, 129, 135; 30, pp. 14-15, 48, 51, 56, 79, 119; 47, p. 17). Moreover, according to one 1975 analysis, only eight Federal areawide programs required districts to do both planning and implementation (47, p. 17). 18/ It is thus questionable if the clearinghouses can evaluate the situation under these conditions and, in turn, these aspects of the clearinghouse operations are difficult to appraise.

Coordination

A 1978 study by the American Institute of Planners (AIP) prepared for HUD delineated four basic coordination strategies, each with variations. These are: 1) to determine that a single set of program objectives has precedence over all others (rational), 2) to determine that central decisions should be made resolving areas of conflict as they arise (administrative), 3) to determine that program objectives should be collectively resolved (negotiation), and 4) to ignore the issue and resolve conflicts in an ad hoc manner (laissez-faire) (12, p. 27).

This same study concluded that only "A relatively small universe of techniques for coordinating functional planning" exists (12, p. 45). Formal planning was then discussed under seven major categories: comprehensive planning; A-95 clearinghouse; common data and projections; budget reviews; areawide planning agencies; interagency committees and cabinets; and environmental impact reviews (12, p. 45). The study found that: "The A-95 clearinghouse review is the single most pervasive coordinating technique" (12, p. 48).

The core of the A-95 concept is coordination and this is not an easy term to define let alone implement (30, p. 16). According to the 1978 AIP study, "coordination is defined simply as the process by which those who are not directly responsible for making a particular decision are provided an opportunity to influence the decision" (12, p. 10). Sundquist and Davis note that coordination is sometimes a process, sometimes a result (34, p. 17). Under coordination one individual's "solution" may be another individual's "nightmare." Some thus desire a mild form of coordination while others believe it "must be the equivalent of coercion in order to be effective" (20, p. 54; also see 43, pp. 15-16). Moreover, efforts at coordination can be frustrated by differing perceptions of program goals, divergent preferences on aspects of implementation, unequal fiscal capabilities, and conflicting political pressures (20, p. 54). Neverthe-

18/ The A-95 process was intended to include planning, clearance, and evaluation (30, p. 79). However, the latter often has not been performed by the clearinghouses. Some analysts thus want a more explicit Federal policy that would force the linkage of clearance and planning and evaluation (30, pp. 101, 103; 39, pp. 1-2, 6). The lack of appropriate linkages between planning and implementation is a recurrent theme throughout the literature on OMB Circular A-95, planning, and COG's, respectively. See (23, pp. 77-78, 184).

less, as Seidman (1975:190) has written: "The quest for coordination is in many respects the twentieth-century equivalent of the medieval search for the philosopher's stone" (33, p. 190). 19/

According to a 1977 GAO study, under A-95 there is no guarantee that there will be good substantive reviews under the first three parts of the circular, nor that there will be coordination achieved through Part IV (39, p. 64). 20/ It is in large measure a question of what the clearinghouses want to make of these opportunities (39, p. 64). 21/ The process does insure that the relevant parties in the Federal grant-in-aid process have an opportunity to interact with one another. But it is not clear whether communication necessarily facilitates coordination (20, pp. 53-54).

It is important to note with respect to coordination that recent studies of A-95 have concluded that Part IV is not working very well (41, pp. 18-19; 43, p. 8). Part IV encourages agencies with functional planning grant programs to fund existing substate comprehensive planning units, many of which are A-95 clearinghouses, to develop the required specific program plan, instead of funding separate functional planning agencies locally. This has been done in many cases, but there remain many federally funded special planning units. A-95 requires these units to develop memoranda of agreement with their local clearinghouse to coordinate their activities. The areawide clearinghouses report many cases where memoranda of agreement should exist but do not. 22/ The 1973 amendments dealing with Part IV were often cited, when introduced, as the most significant changes to A-95 since its introduction (41, p. 19). However, the 1977 GAO study

19/ According to him, the view is that: "If only we can find the right formula for coordination, we can reconcile the irreconcilable, harmonize competing and wholly divergent interests, overcome irrationalities in our government structures, and make hard policy choices to which no one will dissent" (33, p. 190).

20/ Critics charge that: "The most overwhelming and blatant failure to the A-95 process is its great difficulty in distinguishing between good and bad applications from a regional point of view" (30, p. 53). They also criticize the COG/clearinghouse structure because the reviewed do the reviewing (30, pp. 48, 59).

21/ This must be tempered by a recognition of the fact that the areawide review process is primarily advisory in nature and that Federal agencies are not bound by the recommendations of the areawide review body (47, p. 17; 49, p. 95). Thus, a major problem is that even if the clearinghouses conduct meaningful reviews, the impact of their comments is important only if accepted by the Federal funding agencies. Some State and local officials feel that these comments are routinely ignored. If so, this would make the A-95 process somewhat impotent as a coordinating process with the chief benefit being improved communication at the State-local level with little or no Federal help in enforcing planning decision.

22/ OMB concluded in its 1977 assessment of Circular A-95 that the memorandum of agreement requirement has proved of limited usefulness in securing coordination of areawide planning (43, p. 29). Furthermore, OMB has recommended the opportunity for waiver of the memorandum requirement by means of a letter from the clearinghouse stating that it deemed it unnecessary in selected instances (43, pp. 6 exec. sum., 30).

asserted that these provisions were not effective (39, pp. 23-51). OMB has recognized that a number of problems need to be overcome before Part IV is fully implemented (41, pp. 2 exec. sum., 18-19, 24-26).

Coercion versus Cooperation

OMB regards A-95 as a "relatively new governmental instrument" (43, p. 20). Since Circular A-95's inception in 1969, numerous reforms and changes have been proposed as amendments (43, pp. 16-20). Some of the more important ones have dealt with topics such as civil rights and environmental concerns (43, pp. 17-18, 21-23). Much of the impetus behind the continuing proposals for change stems from "varying perceptions among Federal agencies, clearinghouse, and State and local governments of what A-95 is, what its objectives are, and how it should operate" (43, p. 14; also see pp. 3 exec. sum., 15, and 21). OMB has tended to resist many proposals for change, however.

The reasons for the OMB resistance are several, but they can be summed up under cooperation versus coercion or advocacy. OMB takes the view that the intent of the laws regarding A-95 is (1) to foster intergovernmental cooperation via a review mechanism, and (2) to foster coordination of Federal activities with comprehensive planning (43, pp. 14-15). OMB thus views A-95 as "a vehicle for conveying information and viewpoints among and between the several levels of government about proposed actions that might affect the plans and programs of any or each" (43, p. 16). ^{23/} Moreover, OMB desires to retain a flexible A-95 system in terms of both structure and operation (40, pp. 13, 29, 55-57; 40, pp. 20-21).

According to Fesler, "Cooperation is horizontal i.e., cooperation among equals; coordination involves a coordinator" (16, p. 9). ^{24/} The strength of the A-95 process as a coordinator is thus a very powerful issue. Some desire A-95 merely to be an instrument of cooperation. But, because of its vertical aspects, it entails coordination and the relative strength of this is often disputed. Proponents of the advocacy or coercion approach would like to see the A-95 system converted to a Federal control mechanism (43, p. 15). They have variously recommended that A-95 ought to be altered to make it an instrument for State/local fiscal control; to enforce civil rights laws; to establish Federal regional clearinghouses; to provide State, local, or citizen control or veto authority over proposed Federal decisions; and many other special purposes (43, pp. 3 exec. sum., 15-21). Instead OMB has opted for a cooperative, flexible system that has the capability of accomodating a diversity of functions and viewpoints (43, p. 15). But this has been a source of some frustration to those holding the advocacy point of view (43, p. 15).

^{23/} Thus, the PNRS aspect of A-95 (Part I) is intergovernmental and cooperative in nature, based on a clearinghouse model, time phased, and evaluative (43, p. 6).

^{24/} Moreover, Schmandt has written that: "Four categories of intergovernmental cooperation can be distinguished on the basis of existing practices: information exchange, service contracts, regional planning, and areawide policymaking". (32, p. 17).

Lack of Federal Agency Compliance

Historically, a lack of Federal agency participation and feedback with respect to the A-95 has been a problem of varying magnitude (28, pp. 5-6, 8-10). It should be noted that this situation appears to have improved somewhat in recent years (10, p. 201). Nevertheless, in a 1977 study OMB found that Circular A-95 had not been well implemented by Federal funding agencies (43, pp. 2 exec. sum., 14, 22). There was much evidence to support clearinghouse allegations of lack of agency compliance (43, pp. 2, 4 exec. sum., 11-14, 22). A widespread misunderstanding of the objectives and requirements of the A-95 process existed (43, pp. 2 exec. sum., 8, 12, 14, 30). This included Federal officials (43, pp. 12, 14). According to OMB, too little information had been supplied in the form of A-95 explanatory materials by the various Federal program offices to grant applicants (43, p. 10). Some Federal agencies had not taken the A-95 process seriously enough or misunderstood it (43, pp. 7-8, 12-14). Despite the problems, however, there was "little evidence of willful evasion of known A-95 requirements on the part of Federal officials" (43, p. 14). OMB recognized that it needed to do a better educational job and supply more training pertaining to Circular A-95 (43, pp. 4-5 exec. sum., 8-9, 13-14, 21-24, 30). In the past, because of a limited support staff, OMB has not actively monitored Federal agency compliance, but has relied on complaints from the clearinghouses. GAO has recommended that OMB adopt an aggressive system of positive monitoring (40, p. 67). Nevertheless, the communications process with the Federal agencies has improved in recent years (10, p. 201).

Channels of Communication

Contact and communication are necessary requirements for coordination (40, p. 5; 44, p. 38). It has just been noted that problems have existed relative to vertical communications with various Federal agencies. Despite some problems, however, at the State and local level, according to McDowell, "A-95 has been the most effective single force in our whole history" to open channels of communication (28, p. 10). Communication at this level under A-95 has many aspects and this is not to say that problems do not remain. One is that it should not stop, in the opinion of some, with a weak version of PNRS only (notification and processing) as it sometimes does, but it also should lead to management (both policy and resource) and planning roles (28, p. 11). Thus, how far the communication process should go remains an issue (32, p. 18).

Clearinghouse Review Boards

There have been some problems in the A-95 review process regarding the nature of the review body that acts upon the applications submitted to the clearinghouses (13, pp. 18-37, 92-98; 28, 13-14). This involves a range of issues relating to the review board, such as its method of selection, constituencies, minority and female representation, and expertise. It also involves staff versus policy board reviews and political factors in clearinghouse evaluations. 25/

25/ For example, in 1972 Hanson noted that regional councils "tend to be very much staff-dominated, and the constituency of the staff is the Federal or State agencies which provide the preponderance of financial support for the agency" (25, p. 188).

It has been pointed out that the weaker the basis for review (compilations of recognized policy), the greater the probability that the review is staff opinion and the process reverts back to elected officials for input (28, p. 14). The possibility of political members of clearinghouse review boards putting their own jurisdictions' interests above those of the region are real under the best of circumstances (13, pp. 92-98). Weak clearinghouse staffs and bases for review can only serve to exacerbate the political temptations and hence, its intrusions. Thus, this entire topic is likely to remain a multifaceted issue in the foreseeable future.

Citizen Involvement

OMB has encouraged the participation of nongovernmental organizations and citizens in the A-95 process (44, p. 17). Nevertheless, one observer has called the issue of whether A-95 should be an instrument for public hearings and citizen involvement "a sticky one" (28, p. 14). Brown has written that "the most important questions to be asked about the A-95 review process are those concerning the openness of the A-95 process to the viewpoints and contributions of all members of the regional communities served by the clearinghouses" (13, p. 57). This also involves a complex set of problems relating to the involvement of civil rights, women, minority, and environmental groups (13, pp. 61-65). It is felt by some observers that citizen input in the A-95 process is either ignored or discouraged (13, p. 57). This problem is increasingly discussed in the literature and it is not likely to be "solved" soon to everyone's satisfaction (13, pp. 57-81, 86-87, 136; 28, pp. 14-15).

Timing of Reviews

Another issue has been the timing of reviews (13, pp. 66, 82; 28, p. 15; 44, pp. 18-19). This problem has a number of facets, but in its most important form it relates to: (1) the degree of advance knowledge clearinghouses possess about projects; (2) whether the application is presented to the Federal agency and clearinghouse simultaneously; or (3) whether it is submitted to the clearinghouse after the project has been approved (28, p. 15). The second case may harm and the last case may effectively negate the A-95 process. In short, the possibility for informal negotiation and modification is reduced once proposals are submitted to funding agencies. It also is an issue that relates to a number of other problems such as Federal compliance and channels of communication.

It should be noted, however, that while submission for A-95 clearance either simultaneously or after submission to the agency may negate the potential for eliminating the project, it may still allow for some modifications which may be needed to accommodate other priorities. Some observers are of the opinion that the major utility of the A-95 process is for communication and opportunity to comment on broader implications of projects. Moreover, most clearinghouses do not have the staff to work with all the proposals from inception, so they must concentrate their efforts on clearinghouse review and analysis per se.

Difficulties with Reviews Relating to Type of Application

There are of number of problems and issues that could be addressed under this heading, but the focus is on two major areas. First, certain types of

applications have tended to receive more criticism and have more difficulty with the clearinghouses. Second, certain types of projects have caused generally more difficulty in the application and review processes for the clearinghouses. The list of items under these two areas does not coincide in any major way nor is it simply a problem of devising proper evaluation criteria. These problem areas go beyond those discussed above under lack of evaluation criteria.

Turning to the first area, historically, more funds have been available for physical as opposed to social planning. Physical planning has been the more established portion of the profession and, thus, most clearinghouse agencies have had more physical than social planning staff (13, p. 27). It is interesting to note with this background that two types of applications are most susceptible to substantive or political problems in the review process. According to Brown, highly technical physical development projects often receive questions or criticisms from reviewers--usually about specific details of the proposal (13, p. 83). Perhaps this is as expected given the tendency of most review staffs to possess greater competency in the physical areas. However, Brown also notes that social service, manpower, and health program applications, especially those run by or for minorities and disadvantaged, also have been quite susceptible to criticism from both clearinghouse and outside reviewers (13, p. 84). Comments from local government officials "seem to be especially prevalent and troublesome" for these applications (13, p. 84). This may lend support to the hypothesis of political motivations in some of these instances.

With respect to the second area, one finds that reviewers of block grant applications have given the clearinghouse staffs some difficulty (28, pp. 17-18). Block grants are much more encompassing than the typical categorical grant and they may be funded via an objective allocation formula. The broad nature of block grants thus creates difficulty for the reviews regarding what evaluation criteria to use. The specific projects and their potential impacts tend to be submerged in the overall application. The formula funding can create a bottleneck problem because allocations may be determined at one time (28, p. 18). Hence, all the applications arrive at the clearinghouse at the same time. Also, any planning component that may be involved gets submerged in a block grant and is not easy for the clearinghouse to evaluate (28, p. 18).

In general, the evaluation of planning grant applications has given the clearinghouse difficulty (28, pp. 18-19). According to a 1977 study by OMB, there were 162 Federal assistance programs in 17 Federal agencies which impose planning requirements as a condition for receiving financial assistance (42). Of the 162 planning programs, 99 imposed requirements at the State level, 25 at the areawide level, and 38 at both levels (45, p. 236). The evaluation of planning applications creates difficulty for the clearinghouses conducting the review, "because what they contain is a proposed work program that is going to turn out policies later" (28, pp. 18-19). Planning program policy implications are basically unknown. Thus, any A-95 review of planning applications cannot really treat development or program policies as it would an application for a specific development project. There are some ways that the clearinghouses may partially cope with the planning evaluation problem. McDowell has advocated review of the prior impacts of any ongoing planning program for which additional

funding is being requested (28, p. 19). This may work somewhat where a "track record" exists. However, the evaluation of planning grant applications is likely to remain somewhat troublesome for the clearinghouses.

Workload, Staff, and Funding

The A-95 review process has added extra work for the already busy regional council staffs and this has been an issue because no special direct A-95 funding has been available from the Federal Government (28, pp. 15-17). The lack of staff for A-95 review purposes thus has been an issue, but it also should be noted that OMB has "devoted only limited staff to administering Circular A-95" (40, p. 66).

Many of the clearinghouses would like to see more Federal funding for their A-95 operations (13, pp. 15-16, 122, 130-134; 41, p. 26; 43, pp. 2, 5 exec. sum., 8, 26). A 1977 OMB survey indicated that State clearinghouse costs range from \$10,800 to \$200,000 with an average cost of \$61,883 (per review, the respective figures were \$2, \$868, and \$40 (41, pp. 6, 26). The average increase desired was 67 percent. Survey results showed that areawide costs ranged from \$456 to \$503,744 with an average of \$15,872 (per review the average was \$94) (41, pp. 6, 26-27). Over 80 percent of the areawides desired an average budget increase of 60 percent for A-95 purposes (41, p. 27).

OMB argues, however, that many clearinghouses do not understand the eligibility of A-95 expenses under Federal Management Circular (FMC) 74-4 as direct or indirect costs under various Federal programs and that Federal agency practices in allowing these costs are inconsistent (41, p. 27; 43, pp. 26-27). 26/ Many clearinghouses, especially those in nonmetropolitan areas, fund the bulk of A-95 costs locally--allegedly due in major part because of a lack of knowledge about Federal programs (41, pp. 5-6; 43, pp. 8-9). This is especially serious in nonmetropolitan areas where clearinghouses may be the only source of technical assistance and this is a major activity of the clearinghouse (41, pp. 6-7; 43, p. 27).

CONCLUSIONS

OMB Circular A-95 has as its goal a coordinated set of regional activities. Yet, according to ACIR, separate Federal programs continue to go their separate ways and "A-95 lacks fully effective means of implementation" (10, p. 202). Others would disagree with this viewpoint.

In its 1977 assessment, OMB reaffirmed its view that A-95 is intended to be a neutral program, flexible in nature, and furthering intergovernmental cooperation (43, pp. 3 exec. sum., 14-16). Moreover, the assessment recognized that the A-95 program as operated to date has had a number of shortcomings. Because of these, A-95's potential is far from being realized in OMB's view (43, p. 1 exec. sum.).

26/ Federal Management Circular (FMC) 74-4 establishes principles and standards for determining costs applicable to grants and contracts to State and local governments.

Some controversy about A-95 is likely to continue given the various perceptions people have about the circular. OMB has concluded that: "There is considerable misinformation or misunderstanding of OMB's intent for A-95, indicating a need for education and training on A-95 and its relation to Federal programs among all participants in the process (41, p. 7). OMB also has concluded that: "There is a mystique about A-95 indicating lack of knowledge of OMB's intent for the circular (41, p. 7). For example, "In some areas it is believed that clearinghouses wield a veto power through A-95, and one suspects that the clearinghouses do little to dispel this belief" (41, p. 7). In 1971, Mogulof wrote that in field studies, "we repeatedly heard reference to the 'mystique' of the A-95 process" (30, p. 87). OMB also has concluded that: "A-95 is an unusual regulation. Its deliberate restraint in requiring uniform procedures while urging extensive voluntary cooperation is more difficult to administer than more specific directives" (41, p. 26).

OMB has recognized the need for a continuing assessment of Circular A-95 and has offered a number of recommendations and options for action (43, pp. 21-30). It recognizes that there is a need for some simplification, modification, and streamlining of the circular itself (43, pp. 24-30). It is OMB's intent, for example, that A-95 require little paperwork (43, pp. 24-25). The program coverage under Part I in their view needs to be reexamined (43, p. 25). Moreover, they feel that Part II needs to be extended from a coverage of direct Federal development activities to include clearinghouse involvement on Federal agency activities pertaining to the granting of licenses and permits for physical development projects (43, pp. 3-6, 28).

OMB continues to maintain that: "Much of the poor performance is due to inadequate understanding of A-95 and the processes and procedures it sets in motion" (43, p. 30). An illustration of the lack of information is the fact that OMB has had to point out to clearinghouses that they are not required to review every application (43, p. 30). When clearinghouse resources are limited, it may be necessary to waive review of all but highly significant proposals (43, p. 20). Because of the differing perceptions, it is felt that a better job of information dissemination and training regarding Circular A-95 must be done for all participants in the process (43, pp. 21, 30).

In spite of all the disagreement over Circular A-95, its impact has been considerable. Hallman (1977:136) has written that: "The Federal regulation having the greatest effect upon metropolitan structure is Circular A-95" (23, p. 136). In his view, it "has been the strongest force behind the promotion of regional confederation. This is why confederation, weak though it may be, is today the most common pattern of government in metropolitan areas" (23, p. 137). Hallman defines confederation as "a political science concept of governments uniting for common purposes but with the member governments themselves retaining their independence and supremacy" (23, p. 66). It along with unification, federation, and multiplicity, in his view, comprise the four principal theories of metropolitan organization (23, pp. 145-146).

The future of A-95 and the process it sets in motion is not likely to be serene if for no other reason than the linkages held with such complex areas as Federal grants-in-aid and intergovernmental relations. These relationships are only the tip of the iceberg and, indeed, these other topics have large problem

sets and literatures of their own. Moreover, the future of A-95 as an instrument of cooperation, coordination, or coercion is likely to be largely determined by the values held by the public and actions taken by the government in these other subject matter areas. Thus, the future of the umbrella multijurisdictional (UMJO) concept is of prime importance to the role of A-95 and the type of control it may exert (7, 8, 39). The Magnuson-Ashley bill, which was introduced into both the 94th and 95th Congresses, essentially would have established UMJO's on a national scale. But more important than actual geographical coverage, it would have created a quite strong regional council coordinative authority over designated Federal planning and aid programs. Such developments hold must potential importance for the future of A-95 and thus should be watched closely.

The States also can play a critical role in the establishment of stronger substate regional councils (8, p. 32; 26, p. 175; 30, pp. 33-37, 63, 95-99, 121; 39, p. 59; 46, pp. 22, 27; 48, pp. 257-259). There are limits to how much Federal actions can influence the allocation of planning and other responsibilities at the State and substate levels. Some States have extended the program coverage of A-95 to selected relevant State programs (28, pp. 19-20; 40, pp. 19-22; 44, p. 28). In a number of States, the comprehensive substate planning agency tends to be the preferred or mandated instrument with a higher incidence of piggybacking of single purpose Federal programs on the designated regional council thus occurring. In short, determined State efforts can overcome Federal administrative obstacles to integrated areawide planning and coordination (39, p. 59). Thus, future developments pertaining to substate regionalism at the State level also should be closely observed.

LITERATURE CITED

- (1) Advisory Commission on Intergovernmental Relations. A Catalog of Federal Grant-In-Aid Programs to State and Local Governments: Grants Funded FY 1975. A-52a. Washington: U.S. Government Printing Office, 1977.
- (2) Advisory Commission on Intergovernmental Relations. A Catalog of Federal Grant-In-Aid Programs to State and Local Governments: Grants Funded FY 1978. A-72. Washington, D.C.: U.S. Government Printing Office, Feb. 1979.
- (3) Advisory Commission on Intergovernmental Relations. Categorical Grants: Their Role and Design. A-52. Washington, D.C.: U.S. Government Printing Office, 1978.
- (4) Advisory Commission on Intergovernmental Relations. Impact of Federal Urban Development Programs on Local Government Organization and Planning. Prepared in cooperation with the Subcommittee on Intergovernmental Relations of the Committee on Government Operations, U.S. Senate. A-20. Washington, D.C.: U.S. Government Printing Office, May 30, 1964.
- (5) Advisory Commission on Intergovernmental Relations. Improving Federal Grants Management. A-53. Washington, D.C.: U.S. Government Printing Office, Feb. 1977.

- (6) Advisory Commission on Intergovernmental Relations. Improving Urban America: A Challenge to Federalism. M-107. Washington, D.C.: U.S. Government Printing Office, Sept. 1976.
- (7) Advisory Commission on Intergovernmental Relations. Regional Decision Making: New Strategies for Substate Districts. Vol. I of Substate Regionalism in the Federal System. A-43. Washington, D.C.: U.S. Government Printing Office, Oct. 1973.
- (8) Advisory Commission on Intergovernmental Relations. Regionalism Revisited: Recent Areawide and Local Responses. A-66. Washington, D.C.: U.S. Government Printing Office, June 1977.
- (9) Advisory Commission on Intergovernmental Relations. Summary and Concluding Observations--The Intergovernmental Grant System: An Assessment and Proposed Policies. A-62. Washington, D.C.: U.S. Government Printing Office, June 1978.
- (10) Advisory Commission on Intergovernmental Relations. "The Federal Role in Regionalism," in Kent Mathewson, ed. The Regionalist Papers. Detroit: Metropolitan Fund, Inc., Jan. 1978, pp. 192-213.
- (11) Advisory Commission on Intergovernmental Relations. The Role of Federal Planning Assistance Programs and Requirements in National Growth and Development. A Background Paper Prepared by the Staff of the ACIR for the White House Conference on Balanced Growth and Economic Development. Washington, D.C.; Jan. 29-Feb. 2, 1978.
- (12) American Institute of Planners. Coordinating State Functional Planning Programs: Strategies for Balancing Conflicting Objectives. Prepared for the Office of Community Development and Planning; Department of Housing and Urban Development; Washington, D.C.; Apr. 1978.
- (13) Brown, Nevin. A-95 Clearinghouses in the South: A Case Study of Regional Planning and Development. Atlanta: Southern Regional Council, Inc., 1977.
- (14) Brussat, William K. "Knowing Your A-95," Urban Land. Mar. 1978, pp. 13-20.
- (15) California Journal. "Regional Government Proponents Seek to Move State Off 'Dead Level Plateau'," Aug. 1972, pp. 217-220.
- (16) Fesler, James W. "The Basic Theoretical Question: How to Relate Area and Function," in Leigh E. Grosenick, ed. The Administration of the New Federalism: Objectives and Issues. Amer. Soc. Pub. Adm., Sept. 1973, pp. 4-14.
- (17) Fischer, John. "Response to 'Regionalism Toward the year 2000'" in Kent Mathewson, ed. The Regionalist Papers. Detroit: Metropolitan Fund, Inc., Jan. 1978, pp. 227-228.

- (18) Freeman, Roger A. "Perils of Not Sharing," in Joseph F. Zimmerman, ed., Subnational Politics: Readings in State and Local Government. 2nd ed. 1970, pp. 40-43.
- (19) Glass, James and Keith Ward. "The Origins and Development of Substate Districts," in Charles B. Tyer, ed. Substate Regionalism in the United States: Perspectives and Issues. Columbia, S.C.: University of South Carolina, Bureau of Governmental Research and Service, 1978, pp. 10-20.
- (20) Gordon, George J. "Office of Management and Budget Circular A-95: Perspectives and Implications," Publius. Vol. 4, No. 1, Winter 1974, pp. 45-68.
- (21) Gordon, George J. "OMB Circular A-95: An Overview." A Paper Delivered at the 1978 Annual Meeting of the American Society of Public Administration; Phoenix, Arizona; Apr. 9-13, 1978. 17 pp. (Reproduced.)
- (22) Grosenick, Leigh E. "Grass Roots Capacity Building and the Intergovernmental System," National Conference on Nonmetropolitan Community Services Research. Columbus, Ohio; Jan. 11-13, 1977; pp. 167-181. Published by the U.S. Senate Committee on Agriculture, Nutrition, and Forestry; 95th Congress; 1st Session; July 12, 1977.
- (23) Hallman, Howard W. Small and Large Together: Governing the Metropolis. Beverly Hills, Calif.: Sage Publications, 1977.
- (24) Hamer, John. "Resurgence of Regionalism," Editorial Research Reports. Vol. I; Feb. 25, 1977; pp. 145-162.
- (25) Hanson, Royce. "The State's Role in Regionalism--A Case Study," in Kent Mathewson, ed. The Regionalist Papers. Detroit: Metropolitan Fund, Inc., Jan. 1978, pp. 184-191.
- (26) Hartman, Richard C. "The State's Role in Regionalism," in Kent Mathewson ed. The Regionalist Papers. Detroit: Metropolitan Fund, Inc., Jan. 1978, pp. 160-177.
- (27) International City Management Association. Areawide Review of Federal Grant Applications: Implications for Urban Management. Washington, D.C.: ICMA, Urban Data Service Report, Vol. 4, No. 2, Feb. 1972.
- (28) McDowell, Bruce D. "A-95 In Perspective." Remarks by Bruce D. McDowell; Senior Analyst; Advisory Commission on Intergovernmental Relations for presentation at the Region III A-95 Conference; Harrisburg, Pa.; May 6, 1976; 27 pp.
- (29) Mogulof, Melvin B. "Federally Encouraged Multijurisdictional Agencies," Urban Affairs Quarterly. Vol. 9, No. 1. Sept. 1973, pp. 113-132.
- (30) Mogulof, Melvin B. Governing Metropolitan Areas. Washington, D.C.: The Urban Institute, 1971.

- (31) National Association of Regional Councils. 1979 Regional Council Directory. Washington, D.C.: National Association of Regional Councils, Oct. 1978.
- (32) Schmandt, Henry J. "Intergovernmental Volunteerism Pro and Con," in Kent Mathewson, ed. The Regionalist Papers. Detroit: Metropolitan Fund, Inc., Jan. 1978, pp. 16-25.
- (33) Seidman, Harold. Politics, Position, and Power--The Dynamics of Federal Organization. New York: Oxford University Press, 1975.
- (34) Sundquist, James L. and David W. Davis. Making Federalism Work. Washington: Brookings Institution, 1969.
- (35) Tweeten, Luther and George L. Brinkman. Micropolitan Development. Ames, Ia.: Iowa State University Press, 1976.
- (36) U.S. Bureau of the Census, Census of Governments, 1977. Regional Organizations. Washington, D.C.: U.S. Government Printing Office, Aug. 1978.
- (37) U.S. Department of Agriculture. Rural America: Poverty and Progress. A Study of Rural Development Policy Issues by USDA in cooperation with the Assistant Secretary Working Group for Rural Development. Washington, D.C., Dec. 1977.
- (38) U.S. Department of Housing and Urban Development. A-95 Project Notification and Review System: An Evaluation Related to Community Development Entitlement Block Grants. Washington, D.C.: HUD Community Planning and Development Evaluation, Office of Evaluation, Nov. 1976.
- (39) U.S. General Accounting Office. Federally Assisted Areawide Planning: Need to Simplify Policies and Practices. Pub. No. GGD-77-24; Washington, D.C.; Mar. 28, 1977.
- (40) U.S. General Accounting Office. Improved Cooperation and Coordination Needed Among All Levels of Government--Office of Management and Budget Circular A-95. Pub. No. GGD-75-52; Washington, D.C.: U.S. General Accounting Office; Feb. 11, 1975.
- (41) U.S. Office of Management and Budget. A-95 Interim Assessment. Washington, D.C.: OMB Intergovernmental Affairs Division; Sept. 30, 1977. (Reproduced.)
- (42) U.S. Office of Management and Budget. Memorandum for the President entitled "Report on Review of Federal Planning Requirements and Plan for Implementation of Reforms" from James T. McIntire, Director, OMB, dated June 5, 1978.
- (43) U.S. Office of Management and Budget. Office of Management and Budget Circular No. A-95: An Assessment. Washington, D.C.: OMB Intergovernmental Affairs Division; May 15, 1978.

- (44) U.S. Office of Management and Budget. Office of Management and Budget Circular A-95, What It Is, How It Works: A Handbook. Prepared by OMB Intergovernmental Relations and Regional Operations Division. Washington, D.C.: U.S. Superintendent of Documents, July 1, 1976.
- (45) U.S. Office of Management and Budget. Preliminary Working Papers: Review of Federal Planning Requirements. Prepared by the Inter-agency Task Force on Federal Planning Requirements, Washington, D.C.: U.S. Office of Mgmt. and Budget; Oct. 1977.
- (46) Walker, David B. "Substate Regionalism: The Situation in 1978," in Charles B. Tyer, ed. Substate Regionalism in the United States: Perspectives and Issues. Columbia, S.C.: University of South Carolina, Bureau of Governmental Research and Service, 1978, pp. 21-32.
- (47) Walker, David B. and Albert J. Richter. "Regionalism and the Counties," County Year Book: 1975. Washington, D.C.: National Association of Counties and International City Management Association, 1975, pp. 14-18.
- (48) Warren, Charles R. "Regional Reform: Prospects and Alternatives," in Charles B. Tyer, ed. Substate Regionalism in the United States: Perspectives and Issues. Columbia, S.C.: University of South Carolina, and Bureau of Governmental Research and Service, 1978, pp. 60-68.
- (49) Wikstrom, Nelson. Councils of Governments: A Study of Political Incrementalism. Chicago: Nelson-Hall, 1977.
- (50) Wise, Harold F. Conflicts in Federal Subnational Development Programs: An Analysis With Recommendations. Prepared for the National Public Advisory Committee on Regional Development. Washington, D.C.: U.S. Dept. of Comm., Econ. Dev. Adm., Mar. 1976.
- (51) Zimmerman, Joseph F. "Metropolitan Ecumenism: The Road to the Promised Land," in Joseph F. Zimmerman, ed. Subnational Politics: Readings in State and Local Government. 2nd ed. 1970, pp. 428-446.
- (52) Zimmerman, Joseph F. "Substate Regional Government: Designing a New Procedure," National Civic Review, Vol. 61, No. 6, June 1972, pp. 286-290.

NATIONAL AGRICULTURAL LIBRARY



1022508747